



# Canada's October 2019 Elections

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On October 21, 2019, Canadians went to the polls to elect 338 Members of Parliament. Although Prime Minister Justin Trudeau and his Liberal Party secured the most seats in the House of Commons, they lost the majority they had won in 2015. Trudeau's new minority government will have to seek support from other parties to pass its agenda. This altered balance of power could have implications for U.S.-Canadian relations, including commercial, defense, and energy ties.

#### 2019 Campaign

Prime Minister Trudeau and the Liberals won power in 2015 on a platform pledging to improve economic security for the middle class and take action on climate change. In office, they enacted a tax cut for middle-income families, created a new child benefit to help with the cost of raising children, and increased pension and parental leave benefits. Trudeau also worked with Canada's provinces and territories to develop a national climate change plan that imposes a price on carbon. With unemployment near a 40-year low, the Liberals argued the 2019 election was about whether or not Canada would "keep moving forward."

Nonetheless, many Canadians remained concerned about cost-of-living issues in the lead-up to the election. Conservative Party leader Andrew Scheer pledged to help Canadians "get ahead." He argued that the Liberal government's carbon tax had made necessities more expensive and that four years of deficit spending had failed to improve Canadians' lives. The Conservatives pledged to repeal the carbon tax, cut income taxes, and balance the budget within five years.

The Liberals also faced pressure from their left. The New Democratic Party (NDP), led by Jagmeet Singh, and the Green Party, led by Elizabeth May, argued that the Liberals had not enacted the far-reaching changes they promised in 2015. Singh and May criticized Trudeau for abandoning electoral reform and approving an oil pipeline expansion while pledging to reduce carbon emissions. They also sought to win over progressive voters disenchanted by Trudeau's ethics violations and history of wearing blackface.

#### Results

The Liberals won 157 districts (*ridings*), which will leave them 13 seats shy of a majority in the 43<sup>rd</sup> Parliament. The Liberal Party's vote share declined in every province and territory compared to 2015. They lost 29 seats across the country, including their only footholds in the oil-producing provinces of Alberta and Saskatchewan (see **Figure 1**). The Conservatives won a plurality of all votes cast nationwide

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but failed to make significant gains in Quebec and Ontario, which hold nearly 60% of the seats in the House of Commons. They will remain the official opposition with 121 seats. The Bloc Québécois, which promotes Quebec sovereignty, surged to a third-place finish by winning 32 seats in the province. The Bloc's gains came largely at the expense of the NDP, which won 24 seats. The Greens won three seats, and a former Trudeau Cabinet minister won reelection as an independent.

Trudeau's minority government will need to negotiate an agreement with another party, such as the NDP or the Bloc, or seek support for its agenda on a case-by-case basis. The government will last as long as it can command a parliamentary majority, for a maximum of four years. Canada's most recent minority governments lasted just over two years on average.

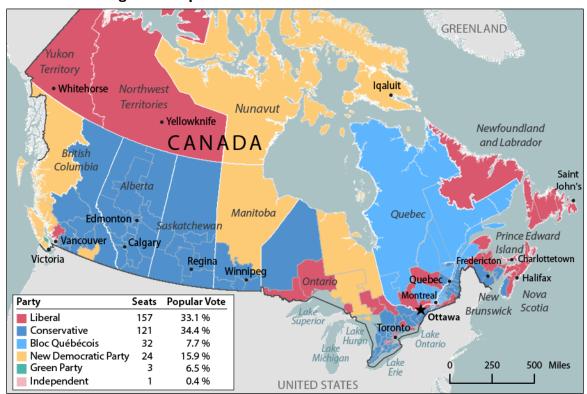


Figure 1. Map of Canada's 2019 Federal Election Results

Sources: CRS. Data from Elections Canada.

#### **Potential Implications**

The election outcome could affect several aspects of the U.S.-Canada relationship, including trade, defense, and energy ties.

### United States-Mexico-Canada Agreement (USMCA)

After a year of negotiations, the United States, Canada, and Mexico signed the proposed USMCA on November 30, 2018, to replace the two-decade-old North American Free Trade Agreement (NAFTA). During the negotiations, the Trudeau government agreed to partially open up Canada's dairy market and made some concessions on intellectual property rights, while avoiding provisions that some observers believe would have been more damaging to Canadian interests. Although all of the opposition parties attacked parts of the agreement or the government's negotiating prowess, the USMCA was not a major issue in the campaign. Given the North American trading relationship's importance to Canada, the

government likely will secure sufficient support to ratify the agreement. Canada is expected to act after the United States, however, as Members of Congress are discussing potential changes to the agreement with the Trump Administration.

#### North American Aerospace Defense Command (NORAD)

In 2017, Prime Minister Trudeau and President Trump agreed to modernize and broaden the binational NORAD command, charged with defending U.S. and Canadian airspace and monitoring potential aerospace and maritime threats to North America. The Liberal government also adopted a new defense policy that calls for a 73% increase in nominal defense spending over the next decade to acquire new equipment and capabilities. Nevertheless, the government has been slow to modernize Canada's fleet of aging fighter aircraft, leading some analysts to question whether Canada will meet its NORAD commitments. Defense expenditures may not be among Trudeau's top priorities in the coming years as he tries to construct parliamentary majorities and recover domestic support.

# Climate Change and Energy

In his first mandate, Trudeau sought to balance his commitment to addressing climate change with Canada's position as a major fossil fuel producer. His victory ensures that the federal government's carbon-pricing plan will continue and likely will be supplemented with other green energy initiatives. However, the outlook for further fossil fuel development and pipeline construction is in doubt. In office, the Liberal government promoted the construction of the Keystone XL oil pipeline into the United States and the expansion from Alberta to Vancouver of the Trans-Mountain pipeline, which the Trudeau government purchased from its U.S. owners after they pulled out of the project. Trudeau opposed two other pipeline projects, which would have linked the Alberta oil sands to Canada's east and west coasts. The Liberal Party's potential reliance on the NDP or the Bloc to pass legislation could discourage further pipeline development or even result in the cancellation of the Trans-Mountain pipeline expansion, which could lead to decreased investment in Canada's oil sands and increased alienation in Alberta and Saskatchewan.

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